



**STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

830 PUNCHBOWL STREET, ROOM 321
HONOLULU, HAWAII 96813
www.hawaii.gov/labor
Phone: (808) 586-8844 / Fax: (808) 586-9099
Email: dlir.director@hawaii.gov

April 3, 2014

AMENDED NOTICE

**Re: Department of Labor and Industrial Relations Guidelines
on the Use of Payroll Debit Card**

The Department of Labor and Industrial Relations (department) is amending the declaratory ruling issued on or about April 13, 2006, administratively allowing the use of payroll, pay, or debit cards for the payment of wages to employees. The department is suspending the allowance of this payroll practice effective from September 1, 2014.

Under Chapter 388, Hawaii Revised Statutes, Payment of Wages and Other Compensation Law, the currently allowed practice of payment of employee compensation by either payroll, pay, or debit card is not expressly provided for as an allowed method for the payment of wages. The April 13, 2006 Declaratory Ruling may or may not be beyond the authority of the past Administration. The department notes that legislation on point, specifically House Bill 1814, of the 2014 Regular Session is currently being deliberated; therefore, the department is delaying any administrative action pending legislative action and potential review by the Governor is completed.

By this Amended Notice the department is putting Hawaii covered employers on notice that as of September 1, 2014, unless legislation to the contrary requires otherwise, allowance pursuant to the requirements contained in the April 13, 2006, guidelines for the use of a payroll debit card shall be suspended effective September 1, 2014. The department observes that the intent of the protections under Chapter 388, Hawaii Revised Statutes is to preserve the wages earned by Hawaii's workers and not have their hard-earned pay subject to fees and other costs.

A handwritten signature in black ink, appearing to read "Dwight Takamine", written over a horizontal line.

DWIGHT TAKAMINE
Director

LINDA LINGLE
GOVERNOR



NELSON B. BEFITEL
DIRECTOR

COLLEEN Y. LaCLAIR
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

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Email: dlir.director@hawaii.gov

April 13, 2006



Honolulu, Hawaii 96813

Dear [REDACTED]:

Re: Petition For Declaratory Order That Payroll Cards Are Compliant With HRS §388-2

In response to your Petition dated November 8, 2005 and the additional information provided in your January 5, 2006 letter to Ms. Pamela Martin, Wage Standards Division Administrator, we advise you as follows:

Sections 388-2(a) and 388-7(4), Hawaii Revised Statutes, and Section 12-21-5, Hawaii Administrative Rules, include specific requirements for the payment of wages to employees in Hawaii. The Department of Labor and Industrial Relations (DLIR) recognizes payroll (debit) card plans to be in compliance with these requirements if the following conditions are met:

1. The practice is **voluntary** on the employee's part;
2. The employee is permitted to cancel the arrangements at any time;
3. The employee is given written notification of the mechanics of the payroll card plan;
4. The wage deposit into the debit card account is made on regular paydays and within seven days after the end of each pay period;
5. The employee is given the opportunity to withdraw or transfer his/her wages to a personal bank account in full, without a fee, each pay period;

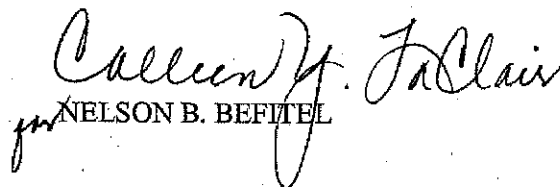
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April 13, 2006

PAGE 2

6. The employee is provided a pay statement at each payday; and
7. The employer makes arrangements to pay wages in full, with a pay statement, to an employee who is discharged, with or without cause, at the time of discharge or no later than the working day following discharge.

For your reference, the law and administrative rules may be viewed on the DLIR's website at <http://hawaii.gov/labor/wsd/statutes.shtml>. If you have further questions, you may contact Ms. Martin at 586-8771.

Sincerely,


NELSON B. BEFITELE

c: Pamela Martin